

Message Text

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73/65

ORIGIN OPIC-06

INFO OCT-01 ISO-00 EB-07 NEA-10 L-03 AID-05 COME-00 /032 R

DRAFTED BY OPIC/ID/MEA:JGSARFF:YKR

APPROVED BY:EB/IFD/OIA:RJSMTIH

OPIC/ID/MEA:CBAZARIAN

NEA/AFN:DJAMESON

EB:DBURNS

EB/IFD/OIA:DHHSTEEBING

LT:MCCQUADE

----- 104808

P 172353Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY ALGIERS

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FROM OPIC

C O R R E C T E D C O P Y (PARA 6, LINE 10 OMITTED)

E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC INSURANCE/ALGERIA

REF: ALGIERS 02196

1. RECOGNIZE PROBLEMS CITED ALGIERS 02196 BUT CONCLUDE THAT ACTIVE ECONOMIC ACTIVITY IN ALGERIA AND CONTINUING INTEREST OF AMERICAN FIRMS IN PARTICIPATING IN THIS IMPORTANT MARKET JUSTIFY ACTIVE CONSIDERATION BY OPIC OF DESIRABILITY OF INSTITUTING INSURANCE PROGRAM.

2. OPIC HAS RECEIVED INQUIRY FROM UNITED CALIFORNIA BANK AS TO AVAILABILITY OF OPIC INSURANCE TO CONTRACTOR CLIENT (1) INTERESTED IN TAKING OVER A DAM PROJECT PREVIOUSLY LIMITED OFFICIAL USE
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WORKED ON BY A SWEDISH FIRM UNDER CONTRACT WITH MINISTRY OF HYDRAULICS AND (2) INTERESTED IN EQUITY INVESTMENT IN JOINT VENTURE WITH THE MINISTRY OF HYDRAULICS. MORE INFORMATION WILL FOLLOW. BELIEVE THIS WILL GIVE EMBASSY

AND OPIC OFFICER JON SARFF A BASIS TO DISCUSS OPIC'S PROGRAMS WITH GOA. PROPOSED DISCUSSIONS DO NOT INVOLVE CONSIDERATION OF TEXT OF ANY BILATERAL AGREEMENT. INTENT IS ONLY TO EXPLAIN TO INTERESTED GOA OFFICIALS NATURE OF OUR PROGRAM AND TO OBTAIN FROM THEM AN INDICATION OF INTEREST.

3. CONSULTATIONS IN WASHINGTON SUGGEST THAT AREA WHICH COULD BE OF PRIME INTEREST TO GOA LIES IN AREA OF CONSTRUCTION CONTRACTS/TECHNOLOGY-SERVICE AGREEMENTS. OPIC TRANSMITTED THIS WEEK MATERIAL TO EMBASSY WHICH DESCRIBES IN GREATER DETAIL THE NATURE OF OUR PROGRAMS IN THIS AREA.

4. OPIC'S CONSTRUCTION INSURANCE PROGRAM WILL RESOLVE A MAJOR IMPEDIMENT TO U. S. COMPANIES TRYING TO COMPETE UNDER ALGERIA'S BANK GUARANTY REQUIREMENTS. U.S. BANKS ISSUE BANK GUARANTIES IN THE FORM OF STAND-BY LETTERS OF CREDIT WHICH ARE CHARGED DOLLAR FOR DOLLAR TO A U. S. CONTRACTOR'S CREDIT LINE WITH A BANK. A PROPOSED OPIC/ SURETY COMPREHENSIVE INSURANCE FOR A U.S. BANK'S ISSUANCE OF STAND-BY LETTERS OF CREDIT FOR BID, PERFORMAN AND ADVANCE PAYMENT GUARANTIES WILL EXEMPT A BANK FROM CHARGING THE AMOUNT OF THE GUARANTEE TO ITS LEGAL LENDING LIMITS AND TO A CONTRACTOR'S CREDIT LINE. THE PROPOSAL

IS BEING CONSIDERED FAVORABLY BY U.S. BANKS REGULATORY AUTHORITIES AND WILL BE EXTREMELY BENEFICIAL TO U. S. FIRMS BIDDING ON ALGERIA CONTRACTS.

5. OPIC PRESENTLY HAS EXECUTED BILATERAL AGREEMENT WITH THE FOLLOWING ARAB GOVERNMENT: SAUDI ARABIA, SYRIA, YEMEN, OMAN, JORDAN, SUDAN, EGYPT, TUNISIA, MAURITANIA, AND MOROCCO. WE ARE ANTICIPATING EXECUTION OF AGREEMENT WITH BAHRAIN AT ANY TIME AND ARE DISCUSSING NEW PROGRAMS WITH QATAR AND THE U.A.E.

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6. OPIC REQUESTS EMBASSY SUPPORT AND CONCURRENCE FOR TRAVEL TO ALGIERS AND WITHIN COUNTRY IF EMBASSY DETERMINE DESIRABLE, OF JON SARFF, OPIC INSURANCE OFFICER, MIDDLE EAST/AFRICA REGION, FOR PERIOD OCTOBER 9-11. PRESENTLY SCHEDULED TO ARRIVE ALGIERS FROM ROME ABOARD AZ 870 AT 1:45 P.M. REPEAT 1:45 P.M. OCTOBER 6, 1976 AND DEPART 11:00 A.M. TO LONDON ABOARD AH 2730 ON OCTOBER 12.

IN LIGHT OF
TRADE FAIR, RECOMMEND AND REQUEST THAT MODERATE HOTEL RESERVATIONS BE MADE FOR SARFF FOR EVENING OF OCTOBER 9, 10, AND 11. PLEASE CONFIRM HOTEL RESERVATION

RATES IN U. S. DOLLAR ASAP. OPIC APPRECIATES EMBASSY
ASSISTANCE IN THIS REGARD. DECONTROL 9/17/77. ROBINSON

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<< END OF DOCUMENT >>

Message Attributes

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Draft Date: 17 SEP 1976
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: n/a
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Margaret P. Grafeld
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